THE HON'BLE SRI JUSTICE L.NARASIMHA REDDY

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WRIT PETITION No.25247 of 2005

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DATED: 28-01-2006

Between:

M/s.Rayees Traders . . .Petitioner

And

The Managing Director, APSFC, Hyderabad,

and another . . .Respondents

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O R D E R:

The petitioner is a small scale industry. It availed financial assistance from the respondents. As against Rs.9,79,223/-, the petitioner is said to have repaid Rs.3,68,842/-. On the ground that the petitioner failed to pay the monthly instalments, the respondents seized the unit through orders, dated 24-11-2005, by invoking the procedure under Section 29 of the State Financial Corporation Act. The petitioner challenges the same.

Heard the learned counsel for the petitioner and the learned Standing Counsel for the respondents.

After hearing the parties at length, on an earlier occasion, this Court passed an order, dated 14-12-2005, granting interim stay of further proceedings on condition that the petitioner deposits a sum of Rs.2,50,000/- (Rupees Two lakhs fifty thousands only), within three weeks from that date and another sum of Rs.2,50,000/- (Rupees Two lakhs fifty thousands only), within three weeks thereafter. The petitioner filed an application seeking extension of time, duly explaining the reasons for its inability to comply with the schedule fixed by this Court. Ultimately, a sum of Rs.2,50,000/- (Rupees Two lakhs fifty thousands only) is said to have been repaid on 16-01-2006. The learned Standing Counsel confirmed the same.

Though several contentions were urged touching on the merits of the case, this Court is not ready to deal with the same. The petitioner does not dispute its liability to repay the amount. The difference of opinion as to the rate of interest leviable against the due amount, needs to be resolved at a later point of time. For the present, this Court feels it appropriate to direct the following order and accordingly, disposed of the writ petition.

a. The petitioner shall pay a further sum of Rs.2,50,000/- (Rupees two lakhs fifty thousands only), within three weeks from today. On such payment, the respondents shall deliver the possession of the unit to the petitioner;

b. The petitioner shall be liable to pay another sum of Rs.2,50,000/- (Rupees Two lakhs fifty thousands only) within three weeks from the date of delivery of possession to it, in default, the respondents shall be entitled to resume the possession of the unit.

c. The question as to what amount remains to be paid by the petitioner after payment of Rs.2,50,000/- (Rupees Two Lakhs fifty thousands only) as indicated in paragraph (b), shall be determined by the respondents, duly taking into account the views of the petitioner.

There shall be no order as to costs.

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(L.NARASIMHA REDDY, J)

28th JANUARY, 2006.

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